

INSURANCE

Dave Heineman
Governor

L. Tim Wagner
Director

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Director Wagner Reminds Insurers and Producers of Requirements Following Breaches of Customers' Records

During the past few years, several news reports have pointed out instances where corporations and other entities have experienced breaches of their customers' records. These have occurred through various accidents such as by losing laptop computers, using unsecured computer systems, theft, and even improper record disposal techniques.

As of July 14, 2006, Nebraska requires commercial entities that do business in Nebraska to conduct a good faith, prompt and reasonable investigation when it becomes aware of a breach in its security system. If the investigation determines that information about a Nebraska resident has been used for an unauthorized purpose, or that unauthorized use is likely to occur, the commercial entity is required to provide notice to each impacted consumer.

The Nebraska Financial Data Protection and Consumer Notification of Data Security Breach Act of 2006 ("Act") includes other important provisions and requirements. We encourage all licensed entities and insurance producers to review the full text, which is cited as [Neb.Rev.Stat. §§87-801 through 87-807](#). The entire text of the Act can be found at uniweb.legislature.ne.gov/LegalDocs/view.php?page=s87index.

In addition to compliance with the above-mentioned Act, the Nebraska Department of Insurance requests that licensed entities and producers advise us of any such situations that should happen to occur.

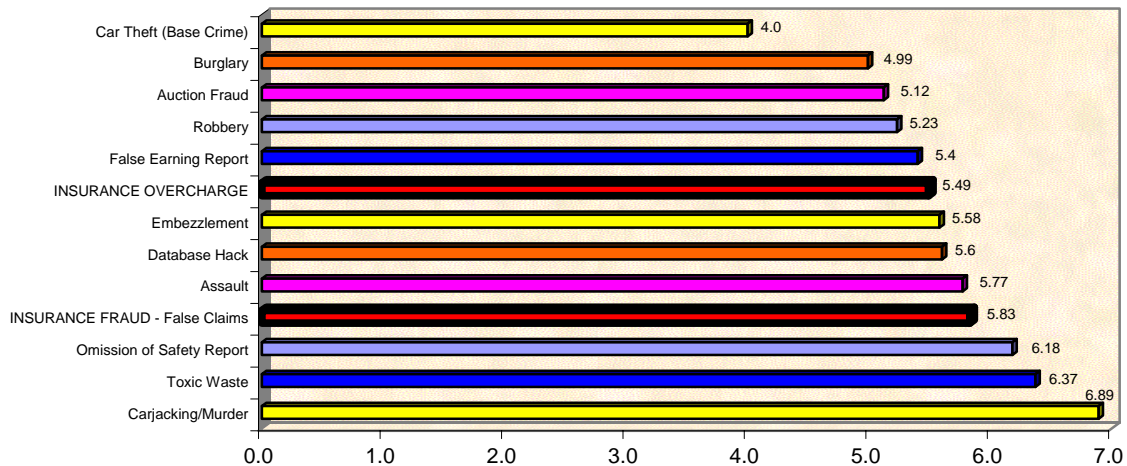
Please direct any questions concerning breaches in security systems to Bruce Ramge at bramge@doi.state.ne.us.

FRAUD DIVISION

Survey Addresses Perceptions of Crime Seriousness

The National White Collar Crime Center recently provided findings of the 2005 National Public Survey on White Collar Crime. The survey addressed, in part, the perception of the public as to the seriousness of a crime. The survey inquired about individuals' perceptions of crime seriousness by having them rate 12 given crime scenarios. These scenarios included white collar crimes as well as the more traditional crimes such as burglary or robbery. Respondents were asked to rate each of 12 crimes on a scale of 1 (not serious) to 7 (very serious) after considering a base crime of stealing a car (which was scored in the neutral range of 4).

Average Crime Seriousness Scores per Scenario:



Although this was a limited study it is interesting to note insurance overcharge and insurance claims fraud were considered more serious than the traditional crimes of burglary or robbery by the respondents.



Save the Date

Plans are underway in developing an agenda for the Annual Industry Insurance Fraud Conference at Mahoney State Park. Mark your calendars to attend Wednesday, June 13, 2007.

LIFE & HEALTH DIVISION

Use of the 2001 CSO Mortality Table and Revised Valuation or Nonforfeiture Interest Rates

We continue to receive filings from companies wanting to use the 2001 CSO Mortality Table in products previously approved by the Division. We are also receiving filings for previously approved products that revise the valuation or nonforfeiture interest rate resulting from the recent changes to the Standard Non-Forfeiture Law. We thought we should restate our requirements for these filings (first published in the Fall 2005 Department of Insurance Newsletter).

If no other changes are being made to the form, it is not necessary to re-file the form. The company should submit:

- a cover letter that includes a list of the policy forms being revised, the original approval dates, and the effective date of the revisions;
- a revised actuarial memorandum; and
- a Life and Health Filing Form identifying the form number of each affected policy. To download an interactive version of the Filing Form, go to www.doi.ne.gov/lh/cb53form.pdf.

This procedure may be followed regardless of whether the valuation and nonforfeiture basis was originally filed as a variable. This procedure may only be followed if:

- the forms will be revised as of a certain date;
- the only changes being made are to the valuation or nonforfeiture interest rate and/or mortality table; and
- the form number will not be revised.

The Division will consider this an informational filing. Companies that would like a returned copy of the filing stamped "filed" must submit the above information in duplicate along with a self-addressed, stamped envelope.

A filing for approval is required if the forms will be revised by the attachment of an endorsement, or if other changes to the form are being made. The company must follow the procedures outlined in Bulletin CB-53. This bulletin may be viewed on the Department website at www.doi.ne.gov/bulletin/cb53.pdf.

Please direct any questions to the Life and Health Division at 402-471-2201.

If no other changes are being made to the form, it is not necessary to re-file the form, but the company should submit a cover letter, a revised actuarial memorandum, and a form identifying the form number of each policy.

Companies that would like a returned copy of the filing stamped "filed" must submit the requested information in duplicate along with a self-addressed, stamped envelope.

A filing for approval is required if the forms will be revised by the attachment of an endorsement, or if other changes to the form are being made.

Nebraska has adopted a revised coordination of benefits regulation, which applies to all group accident and health insurance plans issued on or after the effective date of July 1, 2006.

Coordination of Benefits Regulation

This is a reminder that Nebraska has adopted a revised coordination of benefits regulation. Title 210, Chapter 39, Group Coordination of Benefits Regulation, applies to all group accident and health insurance plans issued on or after the effective date of July 1, 2006. A group contract that was issued before the effective date shall be brought into compliance by the later of (1) the next anniversary date or renewal date of the contract or (2) July 1, 2007. Please note that policy forms filed with the Life and Health Division must be in compliance with the applicable regulation concerning coordination of benefits.

If you have any questions concerning the above regulation, please contact the Department of Insurance at 402-471-2201.

Interest Rate on Death Proceeds

The 2007 interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of loss is 7.014%.

The 2007 interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of loss is 7.014%. Neb.Rev. Stat. §44-3,143 requires that interest be paid from the date of receipt of proof of death to the date of payment. Information can also be found on the Department's website and at court.nol.org/community/interestrate.htm.

Definition of Emergency Medical Condition

This is a reminder that Nebraska has statutes addressing emergency services. Please note that policy forms filed with the Life and Health Division must comply with applicable statutes concerning emergency services.

Section §44-6826 reads, "The purpose of the Managed Care Emergency Services Act is to establish standards for health carriers that offer managed care plans to provide for access by covered persons to and delivery of emergency services."

The definition of emergency medical condition is outlined in §44-6827(5). "Emergency medical condition means a medical or behavioral condition, the onset of which is sudden, that manifests itself by symptoms of sufficient severity, including, but not limited to, severe pain, that a prudent layperson, possessing an average knowledge of medicine and health, could reasonably expect the absence of immediate medical attention to result in (a) placing the health of the person afflicted with such condition in serious jeopardy or, in the case of a behavioral condition, placing the health of such persons or others in serious jeopardy, (b) serious impairment to such person's bodily functions, (c) serious impairment of any bodily organ or part of such person, or (d) serious disfigurement of such person".

Sections §44-5416 to 44-5431 shall be known and may be cited as the Utilization Review Act. According to §44-5417, "The purpose of the Utilization Review Act is to establish requirements and standards of operation for certification of medical utilization review agents. It is proper for the state to oversee utilization review agents as a part of the state's regulation and supervision of the business of insurance and to encourage effective, efficient, and consistent utilization review." According to §44-5418 (12), "Emergency medical condition means a medical or behavioral condition, the onset of which is sudden, that manifests itself by symptoms of sufficient severity, including, but not limited to, severe pain, that a prudent layperson, possessing an average knowledge of medicine and health, could reasonably expect the absence of immediate medical attention to result in (a) placing the health of the person afflicted with such condition in serious jeopardy or, in the case of a behavioral condition, placing the health of such person or others in serious jeopardy, (b) serious impairment to such person's bodily functions, (c) serious impairment of any bodily organ or part of such person, or (d) serious disfigurement of such person; and (13) Emergency services means health care services necessary to screen and stabilize a covered person in connection with an emergency medical condition."

Any questions concerning the above statutes should be directed to the Life and Health Division at 402-471-2201.

LEGAL DIVISION

Actions Taken Against Companies

CAUSE No.	ALLEGATION	DISPOSITION
C-1537 National States Insurance Company (MO)	Violated <u>Neb.Rev.Stat.</u> §44-703, Unfair Trade Practices Act, Insurers Examination Act, Title 210 NAC Chapters 19, 33, 46 and 61.	Consent Order \$12,500 admin. fine 11/7/06
C-1598 Midland National Life Insurance Company (SD)	Violated Title 210 NAC Chapter 19 (008.02B). Proper notice regarding replacement policy not sent.	Consent Order \$350 admin. fine 12/22/06
C-1604 Globe Life and Accident Insurance Company (OK)	Violated Title 210 NAC Chapter 50 (005.01), (006.02), & (006.03). Failed to follow advertisement rules for life insurance and annuities.	Consent Order \$1,500 admin. fine 12/28/06
C-1555, 1556, 1558, 1563, 1564, 1575, 1596, 1600, 1601, and 1602 Conseco Senior Health Insurance Company (IN)	Violated Unfair Trade Practices Act, <u>Neb.Rev.Stat.</u> §44-5905(2)(b)(i)(B), Title 210 NAC Chapter 61. <i>Note: This is a joint consent order for 10 administrative actions.</i>	Consent Order \$95,000 admin. fine 12/29/06

Actions Taken Against Producers

CAUSE NO.	ALLEGATION	DISPOSITION
A-1687 Rodney D. Watson Phillips, NE	Violated <u>Neb.Rev.Stat.</u> §§44-4059(1)(b), (e) & (h), 44-4061(1), and 44-4065(1). Violated any insurance law; misrepresentation; used fraudulent, coercive or dishonest practices; proper appointment with insurance company not held; and failed to notify the department of administrative action in another jurisdiction.	Order \$1,500 admin. fine 11/29/06
A-1690 James G. Vejvoda Grand Island, NE	Violated <u>Neb.Rev.Stat.</u> §§44-4059(1)(b) and (h). Violated any insurance law; used fraudulent, coercive or dishonest practices.	Consent Order \$1,200 admin. fine 12/28/06
A-1693 Raymond J. Reifenrath, III Sioux City, IA	Violated <u>Neb.Rev.Stat.</u> §§44-4059(1)(b) & (f), 44-4054(8), and 44-4065(2). Violated any insurance law; convicted of a felony or a Class I, II, or III misdemeanor; failed to change address within 30 days; failed to report criminal proceedings within 30 days.	Consent Order \$3,500 admin. fine 11/22/06
A-1697 Scott Shea Belleville, KS	Hearing requested for reconsideration of denial of application for nonresident producer license.	Order License granted 11/22/06
A-1699 Pamela J. Dorn Beatrice, NE	Hearing requested for reconsideration of denial of application for resident producer license.	Order License granted 12/14/06
A-1700 Allison L. Klanecky Grand Island, NE	Violated <u>Neb.Rev.Stat.</u> §§44-4059(1)(b), (e), (g) and (h). Violated any insurance law; misrepresentation; committed unfair trade practice; and used fraudulent, coercive or dishonest practices	Consent Order \$2,000 admin. fine 1/8/07
A-1702 Sally J. Beyer Omaha, NE	Violated <u>Neb.Rev.Stat.</u> §§44-354 and 44-4059(1)(b) & (h). Rebating violation; violated any insurance law; demonstrated financial irresponsibility.	Consent Order \$1,000 admin. fine 1/8/07

Nebraska Supreme Court Cases

Pogge v American Family Mutual Ins. Co., 272 Neb. 554 (November 9, 2006)

On January 15, 1999, Rosemary Pogge sustained serious injuries in an automobile accident with Sisson and Mandell. Pogge settled a negligence suit with Sisson's insurance carrier for the liability policy limit of \$100,000. She settled with Mandell's insurance carrier for \$75,000, which was \$25,000 below the liability policy limit. Pogge sought to recover additional damages from American Family under her underinsured motorist coverage.

Pogge sought a declaratory judgment on American Family's liability under the underinsured motorist policy. The District Court sustained American Family's motion for summary judgment, concluding that the settlement established Mandell's liability and Pogge had failed to exhaust Mandell's liability coverage as required by the underinsured motorist policy.

The Nebraska Supreme Court reversed. First, the Court held that evidence of settlement by the insurance carriers is not admissible to establish their liability. Neb.Rev.Stat. §27-408. Second, the Court concluded that there was no evidence of Mandell's liability. Since Pogge had no responsibility to exhaust Mandell's liability coverage, she is entitled to underinsured motorist coverage from American Family.

Peterson v. Ohio Casualty Group, 272 Neb. 700 (December 8, 2006)

Holcomb, an anesthesiologist, filed a defamation suit against his former business partner, Peterson, alleging that Peterson had made false and defamatory statements and allegations regarding Holcomb's competence and conduct. Holcomb further alleged that Peterson made unprivileged publication of false and defamatory communications to a hospital and several physicians.

Peterson filed a declaratory judgment action against Ohio Casualty seeking defense and indemnification under his homeowner's insurance and personal umbrella liability endorsement policies. Ohio Casualty argued that it was relieved of a duty to defend and indemnify Peterson under an exception in the policy for defamation suits "arising out of the business pursuits of an insured." The district court granted Ohio Casualty's motion for summary judgment.

The issue in this case is the duty of an insurer to defend and indemnify an insured. An insurer's duty to defend is primarily a matter of contract. The insurer bears the burden of proving that a claim falls under an exclusionary clause in a policy.

The Nebraska Supreme Court affirmed, concluding that Holcomb's defamation suit clearly falls within the "business pursuits" exclusion, and thus Ohio Casualty owed no duty under either of its policies to defend or indemnify the Petersons.

Brodine v. Blue Cross Blue Shield of Nebraska, 272 Neb. 713 (December 8, 2006)

Brodine received several medical treatments during the period from January 9 to May 7, 1999. Her health care provider filed a timely claim for coverage on a group health insurance policy from Blue Cross. Brodine initiated a suit to recover under the policy in U.S. District Court in April 2002, but the suit was dismissed upon joint motion of the parties. Brodine subsequently filed suit in state district court. The district court granted Blue Cross' motion for summary judgment because the suit was time-barred. The policy stated that a legal action for coverage must be brought within three years from the date the written proof of loss is required.

The Nebraska Supreme Court affirmed. The Court rejected Brodine's argument that the three-year limitations period is unenforceable. The 3-year limitations period is explicitly permitted under Neb.Rev.Stat. §44-710.03(11) and the contractual limitation pre-empts the general 5-year statute of limitations on written contracts under Neb.Rev.Stat. §§25-505 and 44-357. The Court also rejected Brodine's argument that the limitations period is tolled by the pendent federal action, concluding that Neb.Rev.Stat. §25-201.01 does not apply.

Which is it: Insurance or Biblical Sharing?

Recently, a Franklin County Circuit Court in Kentucky and the Montana First District Court issued final orders in actions brought against the American Evangelical Association and its division Christian Care Ministry doing business as Medi-Share. Among the various issues addressed by the court is whether Medi-Share acts as a form of medical insurance coverage and is therefore subject to state regulation or merely operates as a program by which members agree, as a group, to pay one another's medical expenses based on a biblical concept of mutual sharing among Christians. The basic premise of the Medi-Share program is that member's submit required monthly "shares" to Christian Care Ministry, which in turn are used to pay a member's medical bills. The decision to pay a fellow member's medical bills is allegedly a voluntary decision to be made by Christian members, and each member is specifically notified that no claim or "need" is guaranteed.

In addressing whether Medi-Share met Montana's definition of insurance, the Montana District Court ruled that Medi-Share was in fact medical insurance, and should obtain a certificate of authority to transact insurance in Montana. In its holding, the Montana Court specifically held the "[d]efendants [Medi-Share] are clearly conducting the business of insurance by determining eligibility for membership, using actuarial principals and health histories to determine premium amounts, applying specific conditions for payment including preexisting condition exclusions, pooling funds, using computer software to process claims, and using stop-loss insurance to insure against large claims." Ultimately, the Montana Court determined that Medi-Share "is subject to the same state and federal regulation applicable to other non-profit insurers." See *Rowden v. American Evangelical Assoc.*, 2007 Mont. Dist. LEXIS 7.

Alternatively, two weeks after the Montana decision, the Franklin Circuit Court of Kentucky held that Medi-Share was not engaged in the business of providing insurance and that Medi-Share's activity was exempt from state regulation as health insurance since it constituted a religious publication. Similar to the Montana Court, the Kentucky Court cited to a basic tenant of insurance law that requires any agreement, to be considered insurance, to shift risk from one party of the agreement to another. However, unlike the Montana Court, the Kentucky Court held that "[u]nless the agreement transfers a risk of the individual member/subscriber to the Defendants or to other member/subscribers, it cannot be construed as a contract for 'insurance'...[and] from the documents and testimony provided...it is apparent that there has been no risk shifting." In its holding, the Kentucky Court placed significant emphasis on its decision not to treat Medi-Share as health insurance on a Kentucky state law that provides that certain groups shall not have the provisions of the insurance code applied to them, including religious publications, or its subscribers, that meets the various requirements of the aforementioned law. See KRS 304.1-120. In its holding, the Kentucky Court specifically stated, "[t]he Medi-Share program meets the requirements of a religious publication and is exempted from the provisions of the insurance code." See *Bosch v. Christian Care Medi-Share*, (Civ. 04-092).

The State of Nebraska Department of Insurance is aware that a small portion of Nebraska residents has become members of Christian Care Ministry and the Medi-Share program. Currently, the Department of Insurance has not taken a formal position as to whether Medi-Share constitutes health insurance under Nebraska law; however, the Department of Insurance will continue to monitor both of the aforementioned Montana and Kentucky cases' transition to appellate courts as it considers its regulatory position on this matter.

All title insurance agents must have a Financial Disclosure Form on file with the Department, and must provide a written disclosure to consumers.

To understand when it is necessary to provide these disclosures, it is important to understand the definition of “affiliated business” and “producer of title insurance business” as they apply in the context.

A new form must be filed whenever there is a change in any financial interest that is subject to disclosure.

Affiliated Business Disclosures Required

Nebraska law requires that all title insurance agents engaging in affiliated business transactions must comply with certain disclosure requirements as outlined in Neb.Rev.Stat. §44-19,112. Under this provision, title agents must have a Financial Disclosure Form (“Form”) on file with the Department, and must provide a written disclosure to consumers.

To understand when it is necessary to provide these disclosures, it is important to understand the definition of “affiliated business” and “producer of title insurance business” as they apply in this context. Affiliated business means any portion of a title insurance agent’s title insurance business written in this state that was referred to it by a producer of title insurance business or by an associate of the producer of title insurance business, if the producer of title insurance business or associate, or both, have a financial interest in the title insurance agent. See Neb.Rev.Stat. §44-19,108(2). Producer of title insurance business means any person, including an officer, director, or owner of five percent or more of the equity or capital of any person, engaged in this state in the trade, business, occupation, or profession of: (a) buying or selling interests in real property; (b) making loans secured by interests in real property; or (c) acting as broker, agent, representative, or attorney of a person who buys or sells any interest in real property or who lends or borrows money with the interest as security. See Neb.Rev.Stat. §44-19,108(10).

Neb.Rev.Stat. §44-19,112(3) provides that “the director shall require each title insurance agent to file, on forms prescribed by the director, reports setting forth the names and addresses of those persons, if any, that have a financial interest in the title insurance agent and who the title insurance agent knows or has reason to believe are producers of title insurance business or associates of producers of title insurance business.” The Form can be found on the Department’s website at www.doi.ne.gov/forms/exhibita.pdf or a copy may be requested from the Producer Licensing Division. Annual filing of the Form is not required. However, a new Form must be filed whenever there is a change in any financial interest that is subject to disclosure. Forms should be submitted to the Department’s Producer Licensing Division.

Neb.Rev.Stat. §44-19,112(1) provides that “whenever title insurance business to be written constitutes affiliated business, prior to commencing the transaction, the title

Failure to provide a required disclosure is a violation of the Title Insurance Agent Act, which may result in the revocation or suspension of the agent's license and/or the imposition of a fine of up to \$1,000 per violation.

insurance agent shall ensure that its customer has been provided with a written disclosure of the existence of the affiliated business arrangement and a written estimate of the charge or range of charges generally made for the title insurance services provided by the title insurance agent." The title insurance agent should also ensure that the consumers being referred through an affiliated business arrangement are not being required to use a specific title insurance agent or title insurer. See Neb.Rev.Stat. §44-19,112(4)(b).

Failure to provide a required disclosure is a violation of the Title Insurance Agent Act. Violations of the Title Insurance Agent Act may result in the revocation or suspension of the agent's license and/or the imposition of a fine of up to \$1,000 per violation. See Neb.Rev.Stat. §44-19,120.

Title Insurance Agent Bond Requirement

If you and/or your employees are handling escrow or security deposit funds, you must be in compliance with the requirements of Nebraska law, §44-19,109(3).

Nebraska law, §44-19,109(3), provides that "the director shall require the title insurance agent and any bona fide employee of the title insurance agent handling escrow or security deposits to maintain a surety bond, letter of credit, certificate of deposit, or deposit of cash or securities in an amount not less than one hundred thousand dollars covering all of the title insurance agent's employees."

Failure to obtain and maintain a bond or a letter of credit, or to have a special deposit, is a violation of the Title Insurance Agent Act.

If you and/or your employees are handling escrow or security deposit funds, you must be in compliance with this requirement. If you choose to fulfill your requirement through a bond or letter of credit, the bond or letter of credit should be filed with the Producer Licensing Division. Failure to obtain and maintain a bond or a letter of credit, or to have a special deposit, is a violation of the Title Insurance Agent Act. Violations of the Title Insurance Agent Act may result in the revocation or suspension of the agent's license and/or the imposition of a fine of up to \$1,000 per violation. See Neb.Rev.Stat. §44-19,120.

Questions concerning the title agent requirements mentioned above can be directed to Janette Adair, Counsel, at 402-471-2201.

PRODUCER LICENSING DIVISION

Reporting Requirements for Insurance Producers

The division would like to remind insurance producers of existing reporting requirements. Producers are required to report applicable administrative actions or criminal prosecutions within 30 days of final disposition. The applicable law states:

Under existing reporting requirements, insurance producers are required to report applicable administrative actions or criminal prosecutions within 30 days of final disposition.

Neb.Rev.Stat. §44-4065. Reports.

(1) *An insurance producer shall report to the director any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.*

(2) *Within thirty days of the date of arraignment or date of waiver of arraignment, if waived, an insurance producer shall report to the director any criminal prosecution of the producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.*

The Department tracks these reports and may pursue administrative action against the licenses for failure to provide notice within the timeframe required by statute.

Please note that the Department tracks these reports and may pursue administrative action against the licenses for failure to provide notice within the timeframe required by statute.

Renewal of Producers' Appointments

Notices have been mailed to all insurance companies licensed to transact business in Nebraska concerning the renewal of producers' appointments for 2007-2008. All active producers' appointments will be automatically renewed May 1, 2007, unless canceled by the insurance company prior to April 15, 2007. The notice also contains information regarding the process for terminating a producer's appointment, the procedure for requests for cancellation forms received after April 15, 2007, company notification of producers who have failed to renew their licenses or have moved to another state, and the procedure for new appointments of producers.

All active insurance producers' appointments will be automatically renewed May 1, 2007, unless canceled by the insurance company prior to April 15, 2007.

Notices have been mailed to insurance agencies outlining the agency license renewal procedure for May 1, 2007 to April 30, 2008.

Agency License Renewals

Notices have been mailed to insurance agencies outlining the agency license renewal procedure for May 1, 2007 to April 30, 2008. The notice contains information regarding agencies licensed under DBA names, adding or deleting a designated producer to an agency, deleting a name, changing an agency name or address, and documents that need to be submitted to the Department to renew an agency license.

Both of the aforementioned notices can be found on the Department's website at www.doi.ne.gov.

To help protect licensed producers' personal information, national producer numbers, in lieu of producers' social security numbers, will be used on appointment/cancellation invoices beginning April 1, 2007.

Discontinued Use of Social Security Numbers

In order to help protect licensed producers' personal information, the Nebraska Department of Insurance will no longer be using producers' social security numbers on appointment/cancellation invoices that are provided to the insurers. In lieu of the producers' social security numbers, we will use the national producer numbers.

The revised appointment/cancellation invoices will take place beginning April 1, 2007.

Should you have any questions regarding this, please contact the Department of Insurance at 402-471-2201.

PROPERTY & CASUALTY DIVISION

Changes to Analyst Contact Information

Some of lines of insurance that each analyst handles will be changed during February and will be posted on the Department's website.

We are going to be changing some lines of insurance that each analyst handles in the near future. We hope to get this done during February, at which time we will update the schedule on the Department's website at www.doi.ne.gov/pc/email.pdf. Until the changes are made, please continue using the analyst currently shown as your contact person for any given line. We are finding that changes in the marketplace, the use of SERFF, and our Rate and Form Act all have changed the amount of time it takes to do filings. By changing the lines handled, the work should be more evenly distributed.

Methods Under Which Various Lines of Insurance Are Reviewed

During 2006, the division received 4,016 new filings. We accepted 3,109 filings on a file and use basis; 314 filings were approved and 95 filings were accepted as filed. Correspondence was requested on 297 filings. Usually correspondence is necessary if the filing includes language or rating plans that are not in compliance with the current Rate and Form Act. We have included a current schedule of the various property casualty lines of insurance and have shown the method under which they are reviewed.

Filing Headings

File and Use Rates & Forms Filings		Prior Approval Rates & Forms Filings	
100	Commercial Lines Property	341	Medical Malpractice
150	Personal Lines Property	830	Mortgage Guaranty
200	Commercial Inland Marine	840	Title
250	Personal Inland Marine	850	Credit Property
300	Commercial General Liability	860	Credit Unemployment
330	Personal Liability	940	Financial Guaranty
340	Professional Liability	950	Miscellaneous, including GAP/Flood.
342	Directors and Officers		Requirements are determined by how
343	Lawyers Professional		marketed and sold. If written by a
380	Commercial Umbrella/Excess		group policy and charged by to an
390	Personal Umbrella/Excess		individual, it must be approved.
400	Commercial Auto	970	Accord Forms
450	Personal Auto/Motorcycle/Rec. Veh.		
460	Boat Owners		
500	Homeowners		
505	Combination/Homeowners/Auto		
510	Homeowners with Business	900	Auto Warranty
520	Farm Monoline & Pkg.		
530	Other Dwelling Pkg. Policies		
540	Mobile Home/Mobile Homeowners		
600	Crop Hail	975	All Programs
610	Workers' Comp (prior app – forms)	980	All Personal Lines
620	Crime (Burglary & Theft)	1000	Risk Retention
630	Fidelity & Surety		
650	Glass		
660	Boiler & Machinery		
700	Commercial Package		
800	Aircraft (not filed)		
880	Credit		
930	Prepaid Legal		
940	Financial Guaranty		

Filed/Forms Only Filings

Additional Lines Determined by Use

Please contact Bev Anderson; bev_anderson@doi.state.ne.us; 402-471-4654 (phone) or 402-471-6559 (fax), if you have any questions.

EXAMINATION DIVISION

Chief Financial Examiner Named

James Nixon has been promoted by Director Wagner to the position of Chief Financial Examiner. Jim began his employment with the Department as a field examiner, leaving the field examination staff in 2002 to serve as the Department's Deputy Chief Examiner. He has held the position of Acting Chief Financial Examiner for the past six months following the retirement of David Krumm.

As Chief Financial Examiner, Jim will be responsible for the primary financial oversight of approximately \$300 billion in assets of Nebraska's domestic insurance industry. He has been and will continue to be active in various committees, task forces, and working groups of the National Association of Insurance Commissioners.

"The Chief Financial Examiner position is one of considerable import given the size of our domestic industry. Jim will continue to play a strong role in assuring that we continue Nebraska's tradition of strong but fair financial regulation."—Director Tim Wagner

Pre-Need Exams Completed During Fourth Quarter, 2006

Blase-Strauser Memorial Chapel, Inc.
Catholic Cemeteries-Archdiocese
Forest Lawn Memorial Park
Govier Brothers Mortuary, Inc.
Livingston-Butler-Volland Funeral Home
Metro Cremation, Inc.

Financial Examinations Completed During Fourth Quarter, 2006

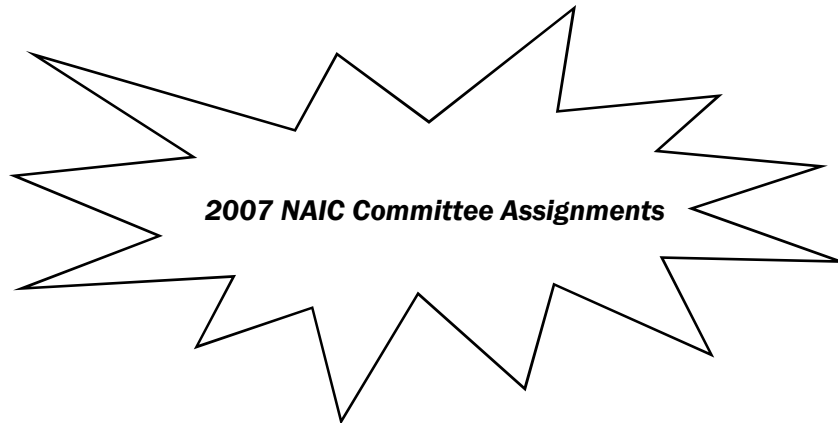
German Farmers Mutual Assessment Insurance Association of Hall County
German Mutual Insurance Company of Dodge County
Polk and Butler Mutual Insurance Company
Safeway Property Insurance Company
Scandinavian Mutual Insurance Company
Woodmen of the World Life Insurance Society

Financial examination reports become public documents once they have been placed on official file by the Department. Copies may be obtained from the Department at the cost of \$.50 per page.

MARKET CONDUCT DIVISION

Market Conduct Examinations Completed June-December 2006

Assurity Life Insurance Company
Blue Cross and Blue Shield of Nebraska
Conseco Senior Health Insurance Company
Empire Fire and Marine Insurance Company
Farmers Mutual Insurance Company of Nebraska



- ☆ Co-Chair Climate Change and Global Warming (EX) Task Force
- ☆ Vice-Chair Life Insurance and Annuities (A) Committee
- ☆ Member Principles-Based Reserving (EX) Working Group
- ☆ Member Regulatory Framework (B) Task Force
- ☆ Member Senior Issues (B) Task Force
- ☆ Member Property and Casualty Insurance (C) Committee
- ☆ Member Workers' Compensation (C) Task Force
- ☆ Member Antifraud (D) Task Force
- ☆ Member Accounting Practices and Procedures (E) Task Force
- ☆ Member Capital Adequacy (E) Task Force
- ☆ Member Examination Oversight (E) Task Force
- ☆ Member Valuation of Securities (E) Task Force
- ☆ Member International Insurance Relations (G) Committee
- ☆ Member Life and Health Actuarial (Technical) Task Force



Department Calendar

Feb. 19: Department Closed – President's Day

April 27: Department Closed – Arbor Day

—Save the Date—

June 13: Annual Fraud Conference
Mahoney State Park (details available at later date)

State of Nebraska
Department of Insurance
941 O Street, Suite 400
Lincoln, Nebraska 68508

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